IT PROJECT EVALUATION

Project Tracking No.:W-005-FY03-DOT

Return on Investment Program Funding Application (FY 2003 Request)

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

SECTION I: PROPOSAL

Date: June, 2001

Agency Name: Department of Transportation

Project Name: Office of Driver Services

Expenditure Name:

Agency Manager: Terry Dillinger

Agency Manager Phone Number / E-mail: Terry.Dillinger@dot.state.ia.us / 237-3153

Executive Sponsor (Agency Director or Designee): Mark Wandro

Request For ROI Application Waiver:

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over $100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

1. The Driver License system is currently two separately developed systems. One system is for issuing driver licenses/ID cards and collecting voter registration application information. The other system is for creating and maintaining driver history records, tracking driver actions and sanctioning problem drivers. Both have separately maintained facilities for tracking financial transactions. The issuance system is a PC Cobol and the driver records system is a COBOL/CICS mainframe legacy system, where the majority of the data layer is made up of VSAM files. The redesign of the Driver System will make use of Internet technology with the presentation layer interfacing through a browser.. The data layer for the redesign will consist mostly of DB2 tables, which will allow all users better access to the data. The redesign will use ITD standards.

2. The budget amount requested will be $1M for FY03 from the RUTF. No General Fund or ITD money is requested.

3. This project is a continuing effort, begun in 2000, and with the major stakeholders (the Motor Vehicle Division) taking an active role.

RESPONSE TO WAIVER REQUEST:

Approved: _____ Disapproved: ___x___ Maybe: _____

Comment: This is an excellent project (a major system improvement) whose benefits should be articulated in an ROI application.

IT PROJECT EVALUATION

A. Project or Expenditure Rationale

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☒ **YES** (If "YES," explain) ☐ **NO**

Explanation:
Federal Driver Privacy Protection Act, Commercial Motor Vehicles Safety Act, Driver License Compact, Non-Resident Violators Compact, Child Support Recovery Act, Motor Carrier Safety Improvement Act, National Driver Register Act.

Is this project or expenditure required by State statute? ☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: Chapters 321, 321A, 321C, and 321J and 321M of code.

Does this project or expenditure meet a health, safety or security requirement?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: The Driver System is a principal source for the state's overall Traffic Records systems. The Driver System supports all driver licensing, driver improvement and driver sanction activities in the state. These activities are a major component of the state's highway safety initiative. Without this system it would be impossible to ensure all drivers have met minimum licensing qualifications and it would be impossible to track and take action against problem drivers who violate the laws regulating the operation and registration of motor vehicles on public highways. The Driver System provides a secure environment for storage of driver information protected by the Driver Privacy Protection Act (DPPA).

Is this project or expenditure necessary for compliance with an enterprise technology standard?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: ITD published standards for databases specifies data to be kept in relational databases instead of VSAM files.

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: Necessary to meet 100% E by 2003. Redesign of user interface to take advantage of internet type technologies that will lower communication costs.

Is this a "research and development" project or expenditure? ☐ **YES** (If "YES," explain) ☒ **NO**

Explanation:

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular,

note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

PRE-PROJECT:
1. The Driver systems were developed to automate issuance of driver licenses, store and manage driver information, initiate driver improvement actions and to automate processes. As needs increased, the system has been patched, added to and modified.
2. There are too many manual processes.
3. Because it's a conglomeration of very different programs, it's time-consuming to make changes and testing those changes has become more and more difficult.
4. Because it's so large and complicated, "fixing" one problem frequently breaks something else.
5. Maintenance can be difficult and time consuming because of the need to update similar code in multiple places.
6. Legislative changes occur twice a year (July and January) and require approximately three months to complete the programming.
7. It is written in COBOL and finding talented programmers in this language is increasingly difficult.
8. Interfaces with other systems (Courts/Public Safety/Vehicle, Accidents) are complex to maintain and diminish confidence that the appropriate information is passing between systems.
9. Trying to modernize the system to provide real-time customer interfaces is expensive, time consuming, and lacks true functionality.
10. Large volumes of reports, taken from various systems, must be printed regularly for review and revision by the staff for accuracy; all of which is expensive and time-consuming for us.
11. It takes a special run to do any ad-hoc inquiries.
12. There is inadequate access to data stored on multiple systems.
13. Adding new data elements to the existing file structure is a tedious process.

POST-PROJECT:
The new system will provide the following benefits:
- Implementation of a more flexible database (DB2) that will allow modifications and additions of data to occur more quickly and easily.
- Implementation of reusable, modular programming.
- Improve our ability to timely respond to legislative mandates.
- Expanded payment options (e-check, debit card, credit card).
- More efficient ways of collecting, storing and analyzing data related to driver issuance and related record processing.
- Additional interfaces for all customers of the Driver License Office, ranging from the individual customers to law enforcement, insurance companies, federal agencies and other state agencies.
- Automated and streamlined processes which will eliminate or reduce labor intensive and time consuming manual processes (modifying driver records,weekly reporting and audit & accounting functions).
- Increased data quality:
  real time, on line update in many instances.
  simplifying screen flows.
  automatically populating screens whenever possible with stored data.
  reduce data entry and potential for errors.
  validating driver status in real time.
  additional edits and cross checks.
- More flexibility for error correction.
- Improved data quality safeguards with external system interfaces (such as the Iowa Court Information Systems, etc.).
- More flexibility with the data base to enable quick, accurate responses to legislative requests for information/fiscal notes.
- Ability to link driver records to other MVD systems such as Vehicle Registration and Motor Carrier files to improve administration of state and federal commercial vehicle regulations.
- Ability to store location referencing information on all citations and convictions.
- Ability to interface driver records with the department's Geo data warehouse to facilitate analysis and planning.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response:

Benefits of Redesigning the Driver License System:
- Transmission of large amounts of data more quickly.
- Facilitation of e-gov by enabling use of the Internet to do driver licensing business between the Federal, State and County government, Private Industry and the public.
- Facilitiation of e-commerce by using Internet Technology to allow customers such as insurance companies to have access to the driver records including accepting electronic filings for driver accident reports and compliance documents.
- Improved data analysis capabilities.
- More timely problem driver intervention actions.
- Improved access to more complete and easier to understand driver information and credentialling requirements.
- Linking driver and crash data to Motor Carrier and Vehicle Registration files will improve Iowa's overall highway safety program effectiveness.
- Allow citizens more options for "connecting" with driver records.
- Reduction in transaction times and simplification of processes.
- Reduction in the state's tort liability due to record errors and resulting failure to remediate problem drivers.
- Facilitation of improved interfaces with several other systems including real time updating of driver issuance information.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response:

DOT, Federal Government, State Government, (ICIS, Department of Revenue, Health and Education) County Attorneys, Insurance Companies and Law Enforcement. The new system will provide correct, current and improved driver information. The redesigned system will allow citizens and organizations to conduct business with the department more quickly, with more options to access our services and with a higher quality product. It will ultimately improve Iowa's quality of life by making it easier for citizens to understand and comply with our highway safety laws and it will improve the effectiveness of our highway safety program.

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1. Project Executive Sponsor Responsibilities: The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Response: No response required.

2. Organization Skills:
   a. List the project management skills necessary for successful project implementation
   b. List the project management skills available within the agency
   c. List the source(s) of project management skills lacking within the agency
   d. Summarize relevant agency project management experience and results

Response:

B. Project Information

1. History:
   a. Is this project the first part of a future, larger project? If so, please explain.
   b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

Response:

2. Expectations: Describe the primary purpose or reason for the project.

Response:

3. Measures: Describe the criteria that will be used to determine if the project is successful.

Response:

4. Environment: List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

Response:

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

Response:

6. Security / Data Integrity / Data Accuracy / Information Privacy
   a. List the security requirements of the project
   b. Describe how the security requirements will be integrated into the project and tested
   c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

Response:

7. Project Schedule
   Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

Response:

SECTION III: TECHNOLOGY (In written detail, describe the following)

A. Current Technology Environment

1. Software (Client Side / Server Side / Midrange / Mainframe):
   a. Application software
   b. Operating system software
   c. Major interfaces to other systems, both internal and external

Response:

2. Hardware (Client Side / Server Side / Mid-range / Mainframe):
   a. Platform, operating system
   b. Storage and physical environment
   c. Connectivity and bandwidth
   d. Logical and physical connectivity
   e. Major interfaces to other systems, both internal and external

Response:

B. Proposed Technology Environment

1. Software (Client Side / Server side / Mid-range / Mainframe)
   a. Application software
   b. Operating system software
   c. Major interfaces to other systems, both internal and external
   d. General parameters if specific parameters are unknown or to be determined

Response:

2. Hardware (Client Side / Server Side / Mid-range / Mainframe)
   a. Platform, operating system
   b. Storage and physical environment
   c. Connectivity and Bandwidth
   d. Logical and physical connectivity
   e. Major interfaces to other systems, both internal and external
   f. General parameters if specific parameters are unknown or to be determined

Response:

C. Data Elements

If the project creates a new database, provide a description of the data elements.

Response:

SECTION IV: Financial Analysis

A. Budget: Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{Budget\ Amount}{Useful\ Life}\right)\times \%\ State\ Share\right]+\left(Annual\ Ongoing\ Cost\times \%\ State\ Share\right)=Annual\ \Pr orated\ Cost$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	$	1	%	$	%	$
Software	$	4	%	$	%	$0
Hardware	$	3	%	$	%	$0
Training	$	4	%	$	%	$
Facilities	$	1	%	$	%	$
Professional Services	$	4	%	$	%	$
ITD Services	$	4	%	$	%	$
Supplies, Maint, etc.	$	1	%	$	%	$
Other (Specify)	$	1	%	$	%	$
Totals	$	-------	-------	$	------	$

Transfer this amount to the ROI Financial Worksheet, item "D" on page 12.

B. Funding: Enter data or provide response as requested

1. This is (pick one):
   - ☐ A Pooled Technology Fund or Reengineering Fund Request
   - ☐ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)
   - ☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost ($)	% Total Cost	Cost ($)	% Total Cost	Cost ($)	% Total Cost
State General Fund	$	%	$	%	$	%
Pooled Tech. Fund	$	%	$	%	$	%
Federal Funds	$	%	$	%	$	%
Local Gov. Funds	$	%	$	%	$	%
Grant or Private Funds	$	%	$	%	$	%
Other Funds (Specify)	$	%	$	%	$	%
Total Project Cost	$	100%	$	100%	$	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

Response:

1. On a fiscal year basis, how much of the total ($ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

Response:

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State $s) that will be incurred after implementation or expenditure.

Response:

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

Response:

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response:

3. State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response:

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of $10 per hour for citizen time savings and $.325 per mile for travel cost savings.

Response:

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response:

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

Response:

7. Total Annual Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

Response:

8. Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

Response:

9. ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

Response:

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Readily Quantifiable" box in the applicable row.

Response:

11. ROI Financial Worksheet

Annual Pre-Project Cost - How You Perform The Function(s) Now	
FTE Cost (salary plus benefits):	$
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$
A. Total Annual Pre-Project Cost:	$
Annual Post-Project Cost – How You Propose to Perform the Function(s)	
FTE Cost:	$
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$
B. Total Annual Post-Project Cost:	$
State Government Benefit (= A-B):	$
Annual Benefit Summary	
State Government Benefit:	$
Citizen Benefit:	$
Opportunity Value or Risk/Loss Avoidance Benefit:	$
C. Total Annual Project Benefit:	$
D. Annual Prorated Cost (SECTION IV-A):	$0
Benefit / Cost Ratio: (C / D) =	
Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =	**%**
☐ **Benefits Not Readily Quantifiable**	

Section V: ITC Project Evaluation Criteria

Criteria and Location in Project Evaluation Document		Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? **Location: Section I-A**	**15**
2.	Will the project improve customer service? **Location: Section I-B.2**	**15**
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with Iowans? **Location: Section I-B.3**	**10**
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? **Location: Section IV-C**	**10**
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? **Location: Section I-B.1**	**10**
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. **Location: Section II-B.5**	**10**
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? **Location: Section II-B1, IVB2**	**10**
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? **Location: Section I-B3, IIB4**	**10**
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) **Location: Section IV-B.2, IV-B.3**	**5**
10.	What is the credibility of the requester based on past performance on other projects? **Location: Section II-A.2.d**	**5**
	Total	**100**